

**FISCAL NOTE**  
**SB 454 - HB 715**

March 9, 2001

**SUMMARY OF BILL:**

1. Requires that all newborn infants be screened for hearing loss before leaving the hospital. If a hospital is not equipped for such screening they are responsible for transporting the child to a facility within 24 hours of discharge for such testing. The Department of Health is responsible for testing infants born outside of a hospital.
2. Requires the hospital to refer infants that fail the test to the Tennessee Early Intervention System of the Department of Education or to a primary care provider.
3. Mandates coverage of the test by individual and group health insurance policies and health maintenance organizations.
4. Requires coverage of newborn hearing screening and transportation by Medicaid (TennCare).

**ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures - Exceeds \$300,000**

**Increase Local Govt. Expenditures\* - Exceeds \$100,000**

**Other Fiscal Impact -**

**Increase Federal Expenditures - Exceeds \$300,000/TennCare**

**Increase Expenditures - Exceeds \$100,000/Health Insurance Industry\*\***

Estimate assumes:

- capitation rates paid to TennCare managed care organizations will be increased to cover the expense of annually testing an estimated 17,000 infants, including some increased transportation costs.
- the Department of Health would pay for testing of approximately 87 infants annually who are not born in a hospital and either have no health insurance or have health insurance plans without coverage for hearing screening.
- the state health plan would cover approximately 600 additional tests with the additional expense for such tests.
- an increase in Department of Education expenditures because of additional referrals, but it is estimated that such expenditures can be absorbed within the existing budget.
- local government health insurance plans would experience increased costs because of the mandate to cover testing.
- increased costs to the health insurance industry. While the amount of such increase cannot be determined, it is estimated to exceed \$100,000.

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\*Article II, Section 24 of the Tennessee Constitution provides that: *no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

\*\*The impact on the health industry is included as required by Chapter 244 of the Public Acts of 1989.

**CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James A. Davenport". The signature is written in a cursive, flowing style with a prominent initial "J".

James A. Davenport, Executive Director